Money Crisis May Put Wall Street On The Picket Line for Peace, P. 2

Let's Get An FBI Rundown Right Away on This Storm Trooper

"(White House Press Secretary) Christian said his office had been 'flooded with telegrams' yesterday from TV viewers who also were enthusiastic about the President's press conference performance. Only one dissenting telegram came in, he said, from a man who complained the presidential broadcast was 'full of platitudes'."

—From the Women's Page of the Washington Sunday Star *Nov. 18 all aglow over "the new Johnson".*

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The Coming Campaign As America's Tragedy

With the Romney announcement, the 1968 Presidential campaign is now underway. Though political prediction is always hazardous, that campaign from all present indications promises to be enormously disappointing for those who hope to see peace abroad and effective action on the Negro problem at home. The campaign is almost certain to deepen the despair which is driving more and more of our best youth and Negro leadership to fantasy and hysteria, wild talk of guerrilla war and the partition of our country into two nations, one white one black. Never was there greater need to make normal politics effective, to restore faith in the possibility of peaceful reform. Never has this seemed less likely.

Cancelling Himself Out

At a breakfast meeting with 600 Republican leaders in Detroit just before his candidacy was announced, Governor Romney was capable of summing up the internal situation as starkly and passionately as it deserves to be. "I say to you in all solemnness and reality," he told those Republicans, "that most Negroes are waiting to see if we mean what we say in America, or whether they've got to have a national war of liberation in America." But that same day in pre-taping his *Face the Nation* appearance of Sunday, Nov. 19, he declined to criticize the Republican record on the poverty program and the alliance with conservative Democrats which has just cut it back so sharply in the House. He even curried favor with the conservatives by implying that the job could be done for less money. Though he is the hope of many moderate Republicans, he was unwilling to admit that he did not support Goldwater in 1964 and that he would not support a Reagan in 1968. Of course all this is explainable in terms of conventional politics. But conventional politics is not going to be good enough.

A similar disappointment is shaping up on the Democratic side. Two headlines in the papers of Sunday, Nov. 19 summed up the situation. One in the *Washington Star* said, "McCarthy Sees Primaries As Viet Policy Testing Ground." But it is very difficult to determine where McCarthy, the only Democrat who is talking of risking such a test, really stands on the issue of war and peace. The other headline in the *Baltimore Sun* said, "Kennedy Waits to Join Winner, Will Not Side Now With Johnson or McCarthy."

Bobby Kennedy was shocked when many if not most of the girls and nuns he was addressing at Marymount College raised their hands when he asked how many favored an increase in the bombing of North Vietnam. The *New York Times* report (Nov. 19) said that "with an edge of anger in his voice" he asked them to realize what this was doing "to a lot of innocent people. Hundreds and thousands of people in Vietnam are being killed on your responsibility. You've go to think of the implications to your own conscience."

But what of the implications for his own more sensitive conscience and better informed mind? How can he say in advance that if Johnson, who began that bombing and carries it on, is renominated, he Kennedy will support him? Where is his conscience when he is prepared to support either the architect of the war or McCarthy, depending on whoever gets the nomination? If he thinks, as he said at Marymount, that it would be "healthful" for the Democratic party and for the country if McCarthy gave anti-war sentiment a chance to express itself in the Democratic primaries, why doesn't he himself run?

If Kennedy feels so deeply about Vietnam and its adverse effect upon the war on poverty, how can he speak in such tepid terms of a primary contest on the issue? He said a McCarthy candidacy "would add a great deal of excitement and interest" to the primaries. These are the terms one ap-

(Continued on Page Four)

From "Phase-Out" to "Phase-Down" to Climb-Down

"Gen. Westmoreland reportedly told Congress this week that it might be possible to start phasing out American forces within two years [i.e. after the 1968 elections*]. Actually, he used the term 'phasing down' rather than 'phasing out'. He hopes for a levelling off of the U.S. total military commitment after stockpiles have been built up, followed by a phase-down. In its initial stages, this phase-down probably will be token, he indicated."

—Gen. Westmoreland's exclusive interview with Jim G. Lucas in Scripps-Howard papers Nov. 18.

*This recalls the pre-election phase-down (though they did not use the word) forecast by Secretary McNamara and Gen. Taylor at the White House Oct. 2, 1963, for President Kennedy, predicting that the "major part" of the U.S. effort in Vietnam would be over by 1965 and that troop withdrawals could begin by "the end of this year," i.e., 1963.

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The World Money Crisis May Put Wall Street on The Picket Line for Peace

Devaluation of the Pound Is Also Devaluation of Lyndon Johnson

The devaluation of the British pound further devalues Johnson's hopes of reelection. As recently as last April 7 the Federal Reserve Board had dropped its rediscount rate from 4½% to 4% as a business stimulant. Now it has been pushed back up again to prevent too sharp an outflow of funds, which may be set off by Britain's increase of its own rediscount rate to 8% and by a loss of confidence in the dollar. Some foreign investors, looking at our own enormous unfavorable balance of payments and the less obvious but equally real "devaluation" of the dollar by inflation, may liquidate dollar holdings. At home all this spells a credit squeeze, higher interest rates, further contraction of the home building market, decline in business and employment. The only certain rise is in Republican prospects.

Some Measures of the Money Crisis

A few figures illustrate the dimension of the money crisis. England's new rediscount rate—8%—is the highest since the money panic in 1914 just before World War I. Prime corporate bonds here only a few days before devaluation were selling at their lowest prices since the post-Civil War Reconstruction period; long-term government bonds could be marketed only at the highest yields since the sharp recession after World War I in 1920. The short interest—i.e. those gambling on a decline—was at record levels in the New York and American Stock Exchanges for the month ended Nov. 14. The President himself at press conference Nov. 17 said the deficit might reach $35 billions. An index of the loss of confidence among investors is that the U.S. Treasury 4¼% bonds of 1987-92 could be bought last Friday for little more than $81—or $19 less than par. Money has lost faith in Lyndon Johnson.

Britain's devaluation was brought on by the Mideast war—it raised the price of oil and stimulated a flight from sterling—and by the business downturn in West Germany and the United States. But our own difficulties arose independently of Britain's, though devaluation will add to them. Their prime cause is the Vietnamese war. Its mounting costs have adversely affected the U.S. balance of payments, the internal price level and Johnson's popularity. As a result he cannot get from Congress even the minor 10% personal income surtax he has asked to combat inflation. The danger to the dollar has been increased by the devaluation of the pound. Britain will have to cut down military expenditures and imperial pretensions; this spells a heavier U.S. military burden in Western Europe and East of Suez. The prospect is not improved by the fact that the devaluation of the pound was minimal; it should have been twice as sharp a cut to meet Britain's real needs. Any further deterioration may easily bring on a new crisis.

While the Johnson Administration has focussed so much attention on domino effects in Southeast Asia, the dominoes are falling in the money markets of New York, London, Paris, Tokyo and Frankfurt. The best news for peace is that from Wall Street's point of view it looks as if both Johnson and his war must go if stability is to be restored. The suffering we impose abroad is exacting a just price at home.

Why Not LBJ and Ho On A Space Platform?

"Hanoi's recent rejection of President Johnson's ridiculous offer to negotiate on a seagoing vessel was hardly surprising. I suppose now the President can offer to negotiate on an airplane. If Hanoi rejects that proposal, the President can offer to negotiate in the New York subway. Is this what is called 'exploring all possible avenues of negotiation'?"

—Donald M. Trapp to the Washington Post, *Nov. 18.*

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Another Exhibit for The Gullible Who Think We Have Softened Our Peace Terms

MR. (Crosby) NOYES (Washington Star): What would be the attitude of the United States to a negotiation with the NLF, which did not include Hanoi?

AMBASSADOR BUNKER: Well, I think that as far as we are concerned, we would be glad to see the Vietnamese [sic—not South Vietnamese—IFS] approach the Front individually, on an individual basis. President Thieu has made it quite clear, as have all the Vietnamese [all?] that they are not willing to negotiate with the Front as a political entity.

MR. NOYES: We are saying at this point that we could accept the representation of the Front in any possible negotiation as a legitimate member of a negotiation?

AMB. BUNKER: Right.

MR. NOYES: Does this imply we would also accept them as a legitimate party to a political settlement ? In other words, some kind of a coalition government?

AMB. BUNKER: I don't think that the Vietnamese government will accept them as a political entity. I think they have made that quite clear.

MR. NOYES: Will they accept them at a conference?

AMB. BUNKER: They will do as we have said, that their position can be represented at a conference. It will be no problem having their views presented at a conference.

—On NBC TV's Meet the Press, November 19.

This means that in any conference we are willing to listen to the NLF's views but not to negotiate with it, nor to give it any place in a settlement. We showed last week that our terms call for the disarming of the Viet Cong. This shows we also ask the dissolution of the NLF.

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Victor Reuther: On the Meany-Lovestone Thumbs-Down on the Chicago Labor Peace Rally

Okay For Labor to Collaborate With Far Rightists But Not With Peaceniks?

George Meany and Jay Lovestone did their best to discourage AFL-CIO officials from attending the Labor Leadership Assemblage for Peace held in Chicago Nov. 11-12 under the auspices of Trade Union SANE. Their efforts evoked a reply from Victor Reuther in his address to the rally which we thought our readers would like to see. 523 union officials and staff members from 60 international unions and 38 states attended this first national meeting of its kind. It condemned the Vietnam war as immoral, urged an unconditional end to U.S. bombings of the North and negotiations with Hanoi and the NLF. Here are Reuther's remarks in abridged form:

The AFL-CIO leadership remains obsessed by no longer relevant cold-war objectives and the negative aspects of anti-communism—an obsession which has led it repeatedly into open collaboration with elements both at home and abroad which are essentially anti-democratic. Intervention by the AFL-CIO in the internal affairs of labor movements in other lands has occurred with a frequency and through methods which U.S. labor would never accept as proper were such intervention practiced by others in our own country.

Even With "Christian Crusaders"

In June, 1964, the late Serafino Romualdi, Inter-American Representative of the AFL-CIO, spoke as director of the American Institute for Free Labor Development to the Washington School of Anti-Communism, a subsidiary of Fred Schwarz's Christian Anti-Communist Crusade. Romualdi was on the national advisory board of the Cuban Freedom Committee formed in 1960 to broadcast anti-Communist propaganda to Latin America. It concentrated on denouncing Castro but was also very active in denouncing Juan Bosch as a Communist in its broadcasts to the Dominican Republic during the elections in that country.

On May 6, 1963, a Citizens Committee for a Free Cuba was set up. Among the founding members were Irving Brown and Jay Lovestone of the AFL-CIO plus a long list of right-wing spokesmen. Mr. Lovestone also appears as a member of the American Security Council, one of the most important groups on the far right, with an annual budget of over a quarter-of-a-million dollars. The Council was founded to operate a loyalty-security blacklist.

The Poor Mustn't Suffer More Than The Rich!

"What happened in Brazil on April 1 did not just happen—it was planned—and planned months in advance. Many of the trade union leaders—some of whom were actually trained in our institute—were involved in the revolution, and the overthrow of the Goulart regime."

—William C. Doherty, Jr., of the AFL-CIO's American Institute for Free Labor Development, on the military takeover in Brazil, Mutual Broadcasting, July 12, 1964, as quoted by Victor Reuther in Chicago. Reuther also quoted Doherty's reply when asked whether the unions were prepared to cooperate with the military in accepting a wage reduction as an anti-inflation measure.

"Frankly the labor unions of Brazil, as long as they can protect the purchasing power of the workers, are perfectly free to accept any type of wage freeze necessary in order to control runaway inflation. . . . When these freezes and controls are put on the Brazilian people, they have to suffer equally. You can't have the poor suffer more than the rich, or the poor less than the rich."

It certainly would be painful if the poor were to suffer more than the rich—IFS.

I call this to your attention because many of you queried the AFL-CIO before coming here and you may have received answers from Mr. Meany or Mr. Lovestone. Here is a reply from Mr. Lovestone: "It is not the practice of our organization to send representatives to participate in such conferences organized under the auspices of other bodies. We discuss such questions at meetings which we organize for the specific purpose." I want to know when the AFL-CIO Executive Council authorized participation in these right-wing, anti-labor groups!

The American Institute for Free Labor Development, whose budget comes 90 per cent from direct government grants, has a board which includes the AFL-CIO, the government, and employers such as Peter Grace of Grace Lines and Standard Oil. Its main responsibility is to train Latin American labor leaders. There is something immoral in training trade unionists under conditions which are repugnant to us at home. Talk about a corporate fascist-state approach, there it is.

No Wonder Some Asians Are So Enthusiastic About Our War In Vietnam

"The assistance being given to South Vietnam seems disproportionately small when compared to the money being earned from the war in Vietnam. For example, Japan has provided a total of $2,250,000 worth of assistance to Vietnam in the period June 1964 through December 1966 according to the State Department. But at the same time, Japanese exports to South Vietnam—and most of these exports were either purchases by the U.S. Government or by the South Vietnamese Government with U.S. funds—totalled $138 million in 1966, compared to $36 million in 1965. . . . Japanese economists believe that Japan's exports in fiscal year 1967 to the United States, South Vietnam and other Southeast Asian nations directly related to the conflict will total between $1.4 and $1.7 billion.

"Assistance to Vietnam from the Republic of China totalled $775,000 in June 1964 through December 1966. Yet the Republic of China's exports to South Vietnam in 1966 totalled $89 million, compared to $50 million in 1965, and in addition, that country is making about $1 million a month from American soldiers on leave.

"South Korea's earnings in South Vietnam as a result of the war—from remittances from Korean soldiers and civilians in South Vietnam, from construction and service contracts and from commodity procurement—totalled $59,540,000 in 1966 and $83,853,000 in the first 8 months of 1967. And Singapore, which apparently is not providing any assistance to South Vietnam, saw its exports to South Vietnam increase to $85 million in 1966, from $37 million in 1965.

"The old proverb that one cannot make a silk purse out of a sow's ear seems to me particularly applicable to the State Department's claims regarding free world assistance to Vietnam. The facts are that very few countries are supporting us in any meaningful way and that most Asian countries are profiting from the war while we and, of course, the South Vietnamese, do the spending and dying."

—Fulbright in the Senate, Oct. 31.

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"Dump Johnson" and McCarthy Only Hopeful Focal Points for Political Action

(Continued from Page One)

plies to a sporting event. He said it would enable Americans "to take out their frustration in talk instead of violence." These are terms one uses of psychiatric therapy. It's not a new headache powder, it's a new leadership the country needs. Bobby's readiness to support the winner, whether pro or anti-war, hardly meets that need or measures up to his ambitions and pretensions.

McCarthy Shifts Bobby—A Little

Again, of course, all this is explicable in terms of conventional politics. To challenge an incumbent President in his own party primaries is to risk one's political future. But the alternative to this is the risk of national suicide. John F. Kennedy at his inaugural, said we were not to ask what the country could do for us but what we could do for the country. But the Kennedys, despite this rhetoric, have rarely shown a taste for risky politics. It is in the pattern that Bobby—for all his understanding of the war and his genuine feeling against it—only begins to hint at a slightly more independent political course when McCarthy threatens to take leadership away from him. *Now* he says that his pledge to support Johnson only applies to the general election and not the primaries. *Now* he says that a McCarthy challenge in the primaries would be "healthful" though he himself does not want to risk his political health by entering the primary himself.

When it comes to the crunch, Bobby is no better than Romney. Both aspire to be regarded as renovating figures but neither is willing to risk the abandonment of conventional politics. Both talk moral values but neither is really willing to apply them politically. Men who claim to be as religious as these two men cannot under any circumstances—for national interest or anything else—support the burning and maiming of the Vietnamese people. They bring conventional religion as well as conventional politics into disrepute. But it would be wrong to believe that this is a problem of personalities. The tragedy of the coming campaign is that the candidates, like the country, are the prisoners of circumstances which render our problems almost—but not quite—insoluble.

Not Much Of A Testimonial

"Administration claims 5,188 South Vietnamese hamlets, with a population of 8,000,000, are now under government control. This compares with 3,000,000 hamlet residents under Viet Cong control, down 20 percent in two years.

"Not all these 8,000,000 are friendly or even fully 'pacified'. U.S. officials put them in three categories: friendly (201 hamlets with 600,200 population), pacified (1895 with 4,000,000 people), and protected (3,092 with 3,500,000). Last category means hamlets are safe enough to hold elections, but occasionally are under fire."

—Scripps-Howard "Washington Size-Up" Nov. 18

So even we only classify 7½ percent of the South Vietnamese under government control as "friendly."

How does one achieve nomination in the Republican party without the calculated ambiguities necessary to reconcile the divergent opinions in it? What does one do politically about peace in a country which probably is one-third for withdrawal, one-fifth for wider war and mostly hawk-dove, i.e. anxious to get it over with as rapidly as possible, preferably by beating the enemy to his knees? How does one get effective action on the Negro-slum poverty problem when the white majority, including a majority of the organized white working class, is morally indifferent and indeed increasingly hostile to Negro demands? The failure of conventional politics is the failure of the majority itself. The paralysis which has locked us into the war reflects the absence of a consensus for peace, just as the failure of Congress on the poverty program reflects a numbed national conscience. This is the tragedy. Perhaps only some miracle of leadership, like de Gaulle's in France on Algeria, can save us. And nothing like it is in sight. Yet despite that gloomy perspective I'm for working in the "dump Johnson" movement and for McCarthy, if he declares himself a candidate. Neither movement may succeed but the dynamic side-effects may yet clear the way for peace as the war drags on. These seem to me the only hopeful focal points for effective political action.

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